



# CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY NEWS RELEASE

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## Department of Toxic Substances Control

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### **State Announces Agreement with Genentech to Develop Brownfield Site**

**Berkeley** --- The California Department of Toxic Substances Control (DTSC) today announced a Brownfield agreement which will enable Genentech, a biotechnology firm, to develop a 27-acre brownfield site in South San Francisco into a research facility which will include eight combined laboratory/office buildings and related structures. The vacant site, adjacent to Genentech's existing complex, will be redeveloped into a biotechnology research campus called "Britannia East Grand."

The Genentech project will include approximately 784,000 feet of office space and generate a substantial increase in property and payroll taxes, currently estimated to be \$4.5 million per year.

"This agreement is an example of how Brownfield redevelopment and environmental cleanup can result in new jobs during the cleanup and construction phase of the project, in addition to establishing up to 2,000 new biotech jobs in the future. The project will infuse millions of dollars into the San Francisco Bay area economy," said DTSC Director B.B. Blevins.

The Genentech site is one of thousands of Brownfield sites throughout California. DTSC oversees the investigation, cleanup, and certification of these properties for redevelopment and reuse. Brownfield sites are located in urban and rural settings. They are often former industrial sites or abandoned properties that are contaminated or thought to be contaminated and therefore are underutilized due to potential environmental cleanup cost or liability.

The current owner of the proposed Genentech site, (which is located at 450 East Grand Avenue in South San Francisco), Slough SSF, LLC (Slough), will construct the new biotechnology campus and offer a long-term lease to Genentech. Slough and the previous property owner Cherokee San Francisco, LLC, will continue site cleanup while the development is underway.

In September 2004, Genentech approached DTSC to request a "Prospective Purchaser Agreement" (PPA) to protect itself from potential environmental liabilities associated with the property. Without a PPA, Genentech may have located its expansion elsewhere; however, the company is now entering into a long-term lease (12-14 years) with an option to buy.

As part of the agreement with DTSC, Genentech, in return for covenants not to sue and contribution protection provisions for existing contamination, will do the following:

- Reimburse DTSC for costs associated with negotiation of the PPA;

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- Provide access and not interfere with any necessary environmental cleanup actions;
- Comply with any Land Use Covenants and the Soil Management Plan for the property.

Before Cherokee bought the site, the site was owned by the paint manufacturer, the O'Brien Corporation, which operated the site as a Resource Conservation and Recovery Act (RCRA) facility and managed hazardous waste in drums, tanks, and surface impoundments. DTSC has been overseeing the RCRA closure and corrective action conducted by O'Brien, Cherokee, and Slough.

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**The Department of Toxic Substances Control's mission is to restore, protect, and enhance the environment and ensure public health, environmental quality and economic vitality by regulating hazardous waste, conducting and overseeing cleanups, and developing and promoting pollution prevention.**